

# hud NEWS

Department of Housing and Urban Development – Mel Martinez, Secretary  
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## MINORITY HOMEOWNERSHIP RATE SETS NEW ALL-TIME HIGH, NATION'S RATE TIES RECORD

WASHINGTON – America's minority homeownership rate set a new all-time record of 48.8 percent in the second quarter of 2001, with 13.2 million minority families owning their homes, Housing and Urban Development Secretary Mel Martinez said today.

The overall homeownership rate of 67.7 percent tied the all-time record high. A total of 72.3 million American families owned their homes in the second quarter of this year – the most at any time in American history. The new 67.7 percent homeownership rate ties the previous all-time record set in the third quarter of 2000.

“Even with this new record, minority homeownership continues to lag significantly behind the near-historic national average. While more than two-thirds of Americans own their own home, fewer than half of African-American and Hispanic families are homeowners,” said Martinez. “We must do more and this administration is committed to doing more.”

The Bush Administration is proposing several initiatives to increase housing opportunities for all Americans, particularly minority families and those with special needs. For example, the President is proposing a \$200 million *American Dream Downpayment Fund* and is expanding the Section 8 Homeownership Program to help low-income families overcome the initial costs of buying a home.

The *American Dream Downpayment Fund* will help low-income people with their down payment on a home of their own. By putting \$1 billion into the American Dream Fund over the next five years, HUD's goal is to bring homeownership to 650,000 low-income families.

The President's budget also includes a *Renewing the Dream* tax credit to encourage investors to develop housing for low-income families. This tax credit will help build 100,000 new homes in low-income areas over the next five years.

HUD is also seeking authority to allow FHA to offer low-income families a hybrid adjustable-rate mortgage, reducing families' initial homeownership costs by combining a low fixed rate in the early years with a rate that later adjusts with the market.

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HUD is the Bush Administration's lead agency in reaching out to faith-based and community organizations across the country as they work to build homeownership opportunities. The President is proposing to triple funding to faith-based and self-help programs like Habitat for Humanity as a means of expanding homeownership opportunities for low-income and minority Americans. HUD funding of such programs would increase from approximately \$22 million to more than \$66 million.

"Homeownership is a powerful tool in building pride in our communities," Martinez said. "It plays an important role in creating strong neighborhoods by turning tenants into community stakeholders. We must continue to work with our local communities to make the American Dream a reality for all who seek it."

The new record rate of minority homeownership in the second quarter of 2001 is 0.3 percentage points higher than last quarter and 1.2 percentage points higher than the second quarter of last year.

- The homeownership rate for Black, non-Hispanic households also set a new record of 48.6 percent, an increase of 0.4 percentage points over the previous quarter and 1.4 percentage points higher than a year ago. As a result of this growth, there are 6.3 million non-Hispanic, Black families who now own their homes.
- Other, non-Hispanic households (including American Indians and Alaska Natives, Asians, Native Hawaiians, and other Pacific Islanders) also reached a new record-high homeownership rate of 55.2 percent in the second quarter. This represents an increase of 0.6 percentage points over the first quarter and 0.8 percentage points from the second quarter a year ago.

Here are figures showing how the homeownership rate changed from the second quarter of 2000 to the second quarter of 2001, measuring the percentage of all households owning their homes and listing breakdowns by racial and ethnic groups, as well as location. The category of OTHER includes Asian Americans, Native Americans, and Pacific Islanders. **Rates that set new all time records are in bold and with asterisks.**

	2nd Quarter 2000	2nd Quarter 2001
NATION OVERALL	67.2%	67.7%
MINORITIES	47.6%	<b>48.8% *</b>
BLACK (non-Hispanic)	47.2%	<b>48.6% *</b>
HISPANIC	45.4%	46.1%
OTHER (non-Hispanic)	54.4%	<b>55.2% *</b>
CENTRAL CITIES	50.7%	51.5%

Studies have shown that homeowners accumulate wealth as the investment in their homes grows, enjoy better living conditions and are often more involved in their communities. Studies show children in homeowner households tend to do better in school and are less likely to become involved in crime. Communities benefit from real estate taxes homeowners pay and from stable neighborhoods homeowners create.